

GREEN TAXONOMY

On 1 May 2026, the Cabinet of Ministers adopted Resolution No. 126 approving the *National Green Taxonomy of Republic of Azerbaijan*, establishing a unified classification framework for environmentally sustainable economic activities. The taxonomy forms part of broader state policy aimed at supporting the transition to a green and low-carbon economy and requires relevant public entities to take measures for its implementation.

The taxonomy introduces a structured system for identifying “green” activities across key sectors, including renewable energy, energy efficiency, water management, pollution prevention, circular economy, and sustainable agriculture. It provides technical screening criteria and assessment steps to determine whether an activity makes a substantial contribution to environmental objectives while avoiding significant harm and meeting minimum social safeguards.

The taxonomy serves as a reference framework for sustainable finance, enabling financial institutions, investors, and corporates to classify and disclose environmentally sustainable investments. By establishing common definitions and standards, it is intended to improve transparency, reduce greenwashing risks, and facilitate the development of green financial products such as green loans, bonds, and investment portfolios aligned with environmental objectives.

The framework is designed for use by a wide range of stakeholders, including banks, investment firms, insurers, public authorities, and corporates, supporting decision-making, risk assessment, and reporting in relation to sustainability. While application of the taxonomy is generally voluntary, it may also inform regulatory approaches and public financing policies, particularly in the context of climate and sustainability objectives.

Overall, the introduction of the taxonomy represents a foundational step in the development of Azerbaijan’s sustainable finance ecosystem, facilitating capital allocation toward environmentally aligned projects and contributing to longer-term policy objectives related to decarbonization and economic diversification.

ICJ REPORT

The International Commission of Jurists (ICJ), an international non-governmental organization of judges and lawyers focusing on the rule of law and legal standards, published on 18 May 2026 a report examining the independence of the legal profession and its relationship to fair trial guarantees in Azerbaijan: https://www.icj.org/wp-content/uploads/2026/05/Azerbaijan_ICJ_report_final_eng-1.pdf. The report reviews institutional frameworks, access to legal representation, and procedural safeguards across pre-trial and trial stages, drawing on international standards and recent case observations.

The ICJ identifies a range of structural and procedural issues, including matters related to the functioning of the Bar, access to counsel, and aspects of judicial practice, which it considers relevant to the overall operation of the criminal justice system. It concludes with recommendations aimed at strengthening safeguards for lawyers, improving access to effective defense, and reinforcing conditions for the protection of fair trial rights in line with international standards.

WASTE MANAGEMENT

Presidential Decree of 14 May 2026 introduced additional measures aimed at improving waste management, including the establishment of the *State Agency for Waste Management* under the Ministry of Ecology and Natural Resources. The Agency is mandated to exercise state control, regulation, and coordination across the full waste management cycle, including waste generation, collection, sorting, transportation, processing, utilization, and disposal, as well as the collection of waste-related fees.

The Decree further instructs the Cabinet of Ministers to prepare proposals on the Agency's structure and functioning, as well as amendments to the Law, *On Waste*, and related legal acts, based on international practices. It also provides for the development of the national strategy for solid waste management for 2027–30, aligned with broader socio-economic planning documents, indicating a coordinated approach to future policy and regulatory development in this area.

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May 2026 Legal Update*

Republic of Azerbaijan

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*Information does not, and is not intended to, constitute legal advice

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